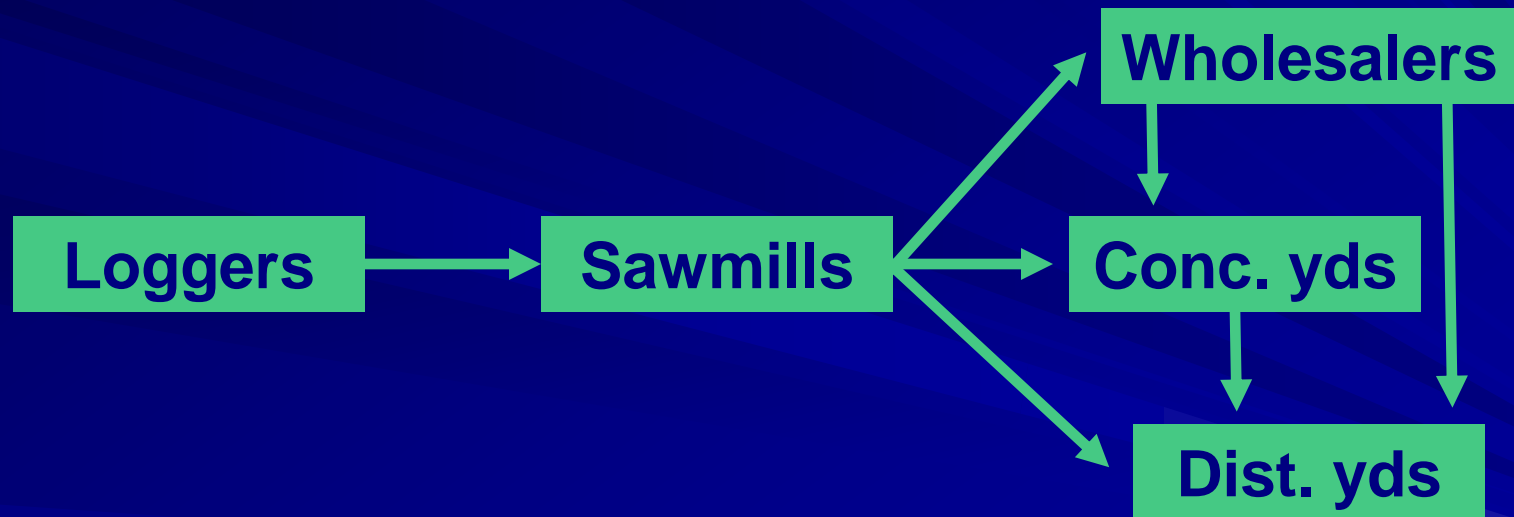
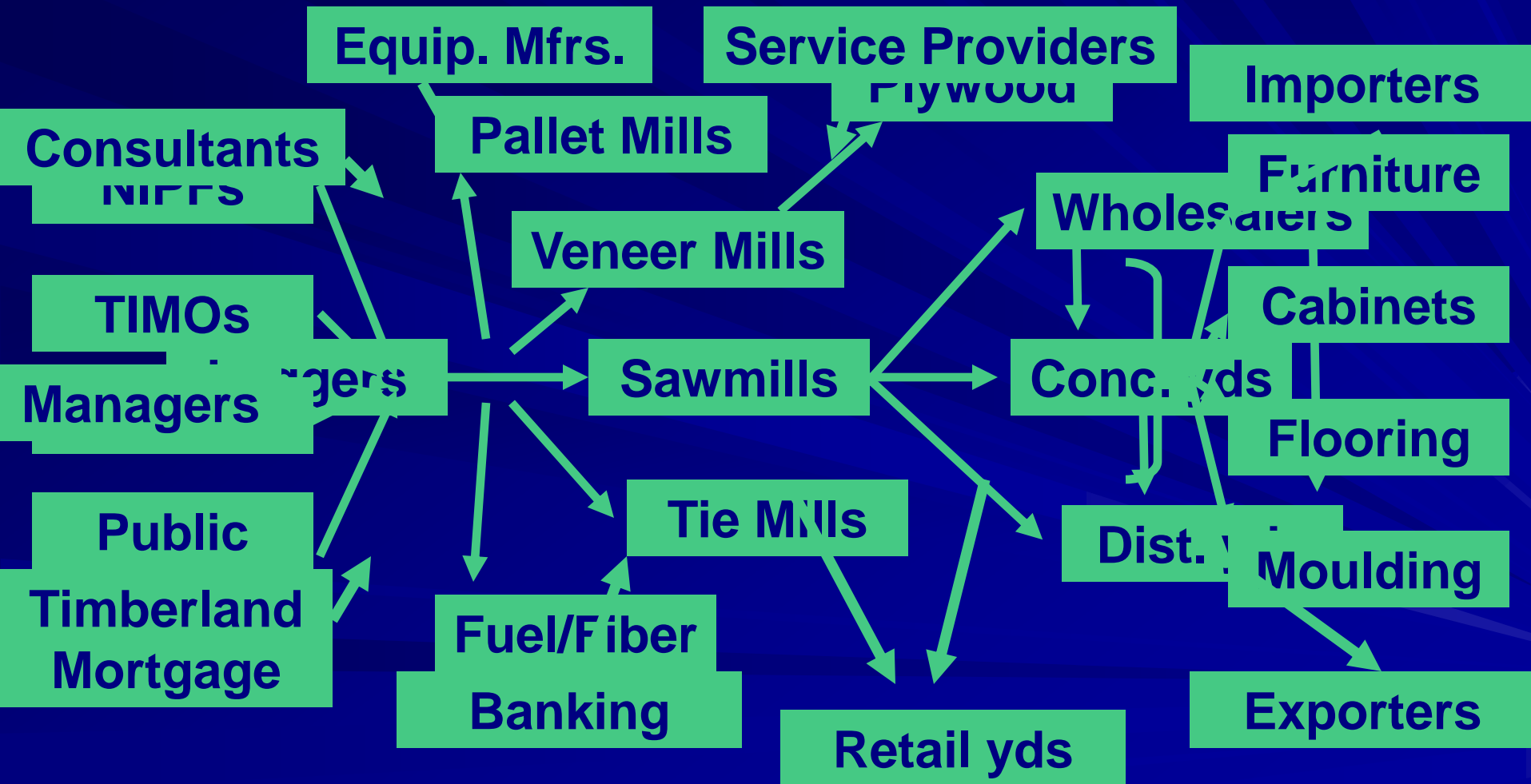


# Broader Understanding of “Hardwood Industry”



# Broader Understanding of “Hardwood Industry”



# Industry Vision

By 2020,

- American hardwoods will be known, valued, desired and selected by the global consumer for their full breadth of environmental and consumer benefits.
- The global public will have a positive perception of the American hardwood industry and American hardwood forest management.

# Supporting Goals

Projects and programs that arise out of or generate support from the HLF should address one or more of 5 goals:

- Improve consumer perceptions of American hardwoods;
- Improve public perceptions of American hardwood forest management;
- Improve public perceptions of American hardwood industry;

# Supporting Goals (cont.)

Projects and programs should

- Improve domestic and global business environment for American hardwood firms and landowners; and/or
- Increase cooperation and collaboration within the American hardwood industry and between hardwood users (within the bounds of anti-trust laws).

# Priority Barriers & Challenges

1. “American Hardwoods” lack brand identity in the marketplace. There is little distinction in the consumer’s mind between U.S. hardwoods and other hardwoods. All segments of the forest products industry—including architects, designers, secondary manufacturers, and dealers—have not worked together to promote a unified message about hardwoods.



# Priority Barriers & Challenges

2. The public believes cutting trees is bad and lacks understanding of the many benefits derived from well-managed forestlands. Perception is that American timber/forest management practices are unsustainable and that forests are disappearing. As a result, consumers purchase competing products believing they are doing the eco-friendly thing. They fail to recognize the true costs of competing materials in terms of energy, waste, transportation, renewability, etc.

# Priority Barriers & Challenges

3. There is an absence of cooperation and collaboration between hardwood industry members (from landowners through secondary manufacturers) to address major challenges, provide a unified voice, raise funds, and provide effective leadership.



# Priority Barriers & Challenges

4. The high costs of doing business (health insurance, wages, taxes, regulatory compliance, etc.) make U.S. hardwoods uncompetitive with other products, including imported wood, imported products, and non-wood substitutes.

# Priority Barriers & Challenges

5. The industry lacks resources to get its message out consistently and to campaign against anti-industry environmental messages in a timely manner. The industry's limited scale and financial resources constrain capacity to wage major promotional campaigns.

# IHLA Strategies - 2011

# Commerce Committee

- Improve Public Perception – New Handout to promote “green-ness,” health and environmental benefits of wood.
- Habitat for Humanity
- Careers in the hardwood industry\*
- [Indianawoodisgood.com](http://Indianawoodisgood.com)
- Unified Hardwood Promotion

# Education Committee

- Attracting young people to careers in our industry: two-pronged approach
- Promote to architects and designers
- Reaching teachers
- University recruiting/job fairs

# Forestry Council

- Business Education for Loggers
- Promote forest management on state's new wetlands areas to policy makers
- Initiate discussion on state management of the Hoosier National Forest
- Public Perception Issues – work with Commerce Committee



# Legislative Committee

- Relationships with new legislators
- Grow IHLA-PAC
- Forest management on state lands
- Proactive issues for industry...HNF?

# Initiatives

- On February 9, IHLA will host the first industry-wide presentation on the details of the Hardwood Check-off Program.  
Why?
  1. United against “Big Green”
  2. Raise critical dollars for messaging
  3. Promote state and local programs.

# Under\$tanding “Big Green”

- Hundreds of Environmental non-profits in DC, that employ thousands of activists, community organizers, media strategists, policy analysts, legislative tacticians, fundraisers, think tank managers, computer programmers, etc.
- Billions in annual funding from government grants and contracts, activist liberal foundations, individual billionaires like George Soros, and legions of small donors from direct mail and Internet appeals.

# Under\$tanding “Big Green”

- These organizations marshal thousands of volunteers and millions of dollars for political campaigns. They help train journalists in covering issues; teach millions of students, and occupy government posts.
- Total revenue for these groups grew from 1.9 billion in 1998 to 8.2 billion in 2005.
- 40 percent of these groups are dedicated to land trusts, protecting natural resources and wetland conservation. Another 18 percent are dedicated to political advocacy and education. The remaining 42 percent are devoted to narrower issues

# Under\$tanding “Big Green”

- American taxpayers provide hundreds of millions to Big Green in the form of federal grants and contracts, especially from EPA and Dept. of the Interior.
- Six groups received \$160 million in grants. Topping the list are Nature Conservancy (\$110 million); Trust for Public Land (\$28m), Audobon Society (\$17.5), and Environmental Defense Fund (\$3.6).
- Big Green contributed \$14.5 million to federal candidates in 2008, with 96% going to Democrats. Obama received \$2.4 million.



# Checkoff: The Devil's in the Details

- Group of Industry Leaders working on this in conjunction with Unified Hardwood Promotion campaign
- Seed money from US Endowment for Forestry and Communities (USEFC).
- Petition USDA for consideration (1/11)
- Public Comment Period
- Two types of referenda



# Checkoff: The Devil's in the Details

- Determination of the contributing “universe” of participants
- Sawmills, concentration yards, flooring manufacturers and possibly hardwood/plywood manufacturers.
- Potential to raise \$15 million per year.
- Logo, messaging, identity
- Taking the mountain instead of the hill.

# Critical Step to Success

- Traditionally, farmers get together, discuss their similarities, go after the money, then argue over how to spend it....

# Critical Step to Success

- Forest Product folks get together, discuss their *differences*, fight over the use of funds, then go after the money!

# Check - off Program for Hardwoods

If not in 2011,  
Then  
Maybe Never